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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
WASHINGTON, D. C.

February 11, 1937

Dear Mr. Committeeman:

This is the beginning of the second year of the Agricultural Conservation Program under the Soil Conservation and Domestic Allotment Act. As in 1936 the fundamental objectives of this Act were kept in mind in formulating the 1937 program. These are: (1) To check soil erosion; (2) to conserve and improve soil fertility; (3) to encourage better land use; and (4) to restore and maintain an equitable level of farm income.

The success of the past four years is due largely to the untiring and conscientious work of committeemen. Your work during 1936 was particularly difficult because an entirely new program was launched late in the season, consequently causing delays and handicaps. However, all things considered, you did an excellent job, and the results in the Region were extremely gratifying.

A strenuous effort is being made this year to make available to all farmers before planting time complete information about the program. Most of the official documents dealing with the 1937 program have been approved by the Secretary of Agriculture, and copies of these have been sent to your county agent for your use. SR Leaflet 101 is a digest of the most essential features of the 1937 Agricultural Conservation Program, a copy of which has already been sent you. You may obtain enough copies of this leaflet from your county agent for each one of your neighbors.

Some of the most outstanding features of the 1937 Agricultural Conservation Program are:

(1) A soil-conserving base will be established for each farm. If a producer is to receive maximum payments it will be necessary for him to plant as many acres of soil-conserving crops as he usually plants plus an acreage equal to that which he diverted from the soil-depleting bases for payment. The soil-conserving base plus the acres diverted, to a considerable extent, will determine the soil-building allowance for the farm.

(2) Land use classification has been changed so that the entire acreage of soil-depleting row crops interplanted with summer legumes counts as soil-depleting, and, in addition, from one-third to one-half of the same acreage counts as soil-conserving. Also, the entire acreage from which a soil-depleting crop is harvested and followed by legumes or perennial grasses counts both as soil-depleting and soil-conserving.

(3) In 1937 expenses of County Agricultural Conservation Associations will be deducted on a pro rata basis from the payments due farmers. Last year administration expenses were deducted from the total amount of money allotted in the Southern Region before payments were made.

(4) The rates of payment for some soil-building practices are increased.

(5) The methods for arriving at soil-building allowances are different this year.

You have the opportunity and the responsibility of helping each farmer in your community to become familiar with the 1937 program. Therefore, we urge you to continue to do all in your power to see that the program is understood and carried out by all your neighbors.

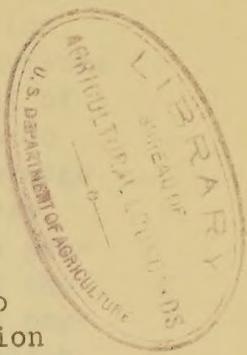
Very truly yours,

C. A. Cobb,
Director, Southern Division.

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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
WASHINGTON D. C.

February 20, 1937



Dear Committeeman:

Your experience in agriculture has, of course, enabled you to realize that the problems affecting crops grown in the Southern Region vary widely in character. It is our intention to consider from time to time the special problems of our more important cash crops, and in this letter we wish to discuss with you some of these problems as they relate to cotton.

A material increase in cotton acreage could easily place cotton producers in a position similar to that in which they found themselves in 1933. At the present time the burdensome surpluses of American cotton have been reduced to a point where there is a carry-over of 7 million bales, or approximately one and one-half times a normal carry-over and prices have improved to a great extent. These facts, together with ample credit, available land, and a poor memory regarding 5 cent cotton, are partly responsible for the tendency to increase acreage. Since the supply of cotton and the price that producers receive for cotton are so closely linked, each producer should thoroughly understand the supply and demand situation from a domestic and from a world standpoint before he decides what acreage he should plant to cotton in 1937. We urge you as a committeeman to do all in your power to see to it that your neighbors understand the cotton situation for, with complete understanding, producers will do their part in keeping the cotton acreage adjusted to the point that the supply will not exceed the demand.

The total base cotton acreage of all producers in the United States is about 45 million acres; cotton was harvested from $\frac{2}{3}$, or 30 million, of these acres in 1936, and about $12\frac{1}{2}$ million bales of cotton were produced in spite of the drought.

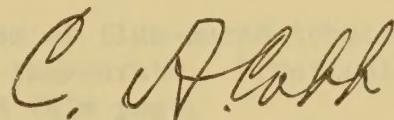
The estimated world supply of all cotton is now over 42 million bales. In only one other year, 1933, has the supply exceeded this. The world supply and world demand for cotton largely determine the price that American growers receive. The world consumption of all cotton during 1935-1936 was 27.4 million bales, and of this amount mill consumption accounted for 26.8 million bales. This total world consumption exceeded that of any other single year, but was about $2\frac{3}{4}$ million bales less than the world production of cotton in 1936. It is evident at this time that world consumption of all cotton during 1936-1937 will not equal the production of 1936, which means a larger world carry-over of all cotton into the 1937-1938 season.

In the light of the foregoing, farmers should decide now as to the acres they are going to plant in 1937. The Agricultural Conservation Program assists in keeping supply in line with demand by making payments to producers for shifting to soil conserving crops up to 35 percent of their cotton base. The welfare of cotton growers and of those who do business with them will be affected by their decision as to the acreage of cotton they will grow in 1937. In making this decision producers should carefully consider the benefits that may be derived through participation in the 1937 Agricultural Conservation Program. Some of the more important benefits are; (1) the farmer receives conservation payments; (2) the diverted acres produce conserving crops, some of which may be used for food and feedstuffs; (3) soil fertility is conserved; (4) the cost of producing cotton on diverted acres is saved; (5) cotton is produced more economically; and (6) a better price for cotton is assured.

A question and answer leaflet giving the latest information on the cotton situation has been prepared and copies will be sent you for distribution among your neighboring cotton producers. Additional copies are being furnished your county agent. Every cotton producer needs to become familiar with the information in this leaflet as it will help him to decide upon the acreage he should plant to cotton. As a committeeman and as a direct representative of the Government and of your neighboring cotton producers, one of your most pressing responsibilities is to see that all your neighbors understand both the cotton situation and the benefits of the 1937 program. What you do at this point will very largely determine the success of the program this year.

By comparing the effect on price and income of increasing cotton acreage with the benefits to be derived through participation in the 1937 program, a producer will be in position to make an intelligent decision as to the number of acres he should devote to cotton. In this connection may we suggest that you study this question and answer leaflet until you understand it thoroughly, and that you distribute among your neighbors the copies which will be sent you.

Very truly yours,



C. A. Cobb,
Director, Southern Division.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
WASHINGTON, D. C.



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March 29, 1937.

Dear Mr. Committeeman:

In keeping with our policy of bringing to your attention, from time to time, the situation of our more important cash crops, we wish to discuss with you briefly some of the important points that should be weighed carefully before deciding on acreage of flue-cured tobacco to be planted in 1937. Since land is now being prepared for tobacco, and setting out plants will begin in the near future over the entire belt, it is necessary that farmers decide now the number of acres to be planted in 1937. We believe that tobacco producers will do their part in keeping supply in line with demand.

In making this decision such factors as the following should be considered: (1) Trend in domestic and foreign consumption; (2) stocks to supply these demands; (3) average farm price; (4) the quantity of flue-cured tobacco which can be produced in 1937 without lowering price and at the same time hold our export trade; and (5) provisions of the Agricultural Conservation Program that are applicable to tobacco farms.

In order to assist in your consideration of these factors, we are mailing you a copy of leaflet "G-63", a question and answer publication on flue-cured tobacco.

Some of the facts in this leaflet to which we wish to call your attention are:

Stocks of flue-cured tobacco are at record levels but domestic consumption is also at record levels. When related to consumption stocks are ample but not excessive.

Reports that large quantities of flue-cured tobacco were destroyed by floods in the Ohio Valley are inaccurate. Practically no flue-cured tobacco was destroyed by flood this year.

Practically all available information points to the fact that there will be another increase in domestic consumption in 1937, but it does not seem likely that exports for 1937 will equal the rather high level attained in 1936. No material change in stocks as of July 1937 is anticipated over stocks as of July 1936. Present indications are that a crop in 1937 in excess of 700 million pounds will lower the price. See tables 1, 2, and 3, in Leaflet No. "G-63" for statistical facts.

It is entirely up to the growers themselves as to whether or not they will maintain the price at a fair level.

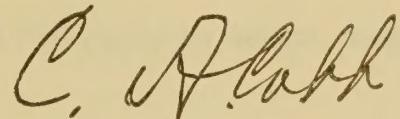
The 1937 Agricultural Conservation Program will assist us in keeping supply in line with demand and thereby maintain a fair price level. A diversion payment, at the rate of 5 cents per pound on the base yeild, will be made on all acreage diverted up to 25 percent of flue-cured tobacco base.

In addition to this Class I conservation payment some other important benefits are as follows: (1) The diverted acres produce conserving crops, some of which may be used for the production of greatly needed feed and possibly food, (2) soil fertility is conserved; (3) crops are produced more economically; (4) the cost of producing tobacco on diverted acres is saved; and (5) higher price for tobacco is maintained.

As a committeeman one of your responsibilities is to see that all of your neighbors understand the tobacco situation, and the benefits to be derived from participating in the 1937 program. We believe that in so doing your services will be both valuable and timely.

An additional supply of these leaflets has been sent to the county agent, and we shall be glad to furnish you with as many as you need.

Very truly yours,



C. A. Cobb,
Director, Southern Division.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
WASHINGTON, D. C.

April 6, 1937.

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P. O. Box 5000 - GPO 370

Dear Mr. Committeeman:

Have you and your neighboring producers given careful consideration to the insurance features of the Agricultural Conservation Program? For fear that you have not, it is my wish to discuss this phase of the program with you.

What protection do you and other producers have if rain does not come in some areas and if boll weevils do come in other areas, or if excessive acreages are planted to soil-depleting cash crops and growing conditions are as good as they have averaged for the past 4 years, resulting in over-production and decreased prices?

Under the 1937 Agricultural Conservation Program, every farmer who participates in the program is protected to the full extent of his participation. His payments are not affected by weather, boll weevils, or fluctuations in prices. The larger the number of acres devoted to soil-building crops and practices, the greater the protection against flood, drought, and low prices.

There are numerous areas in the South where, during the past three years, droughts, floods, insects, or diseases have completely destroyed crops. In these areas the payments made in connection with the programs provided practically the only cash income farmers received. No doubt many similar situations will occur in 1937. In addition to natural hazards, over-production and low prices are an annual threat.

The Agricultural Conservation Program provides protection to farmers in the following ways:

1. All producers who participate will receive some cash income, regardless of what may happen to their planted crops. For those producers who cooperate to the fullest extent and whose crops are severely injured by drought, or other disaster, this cash income may be the means of preventing extreme distress.

2. Cooperating producers assume less risk if they divert a part of their soil-depleting crop acreage to soil-conserving crops. The soil-conserving crops in the main serve to provide needed feeds and foods. In this way cash outlay may be reduced.

3. The program, by tending to adjust the supply to demand, insures a better price for that which is produced for sale.

4. The soil-conserving crops grown on land that would otherwise be planted to soil-depleting crops, protect the cooperating producer against loss of plant food and loss of soil caused by leaching and erosion. In the long run, such a change in crops grown will mean higher and more economical yields than could otherwise be expected.

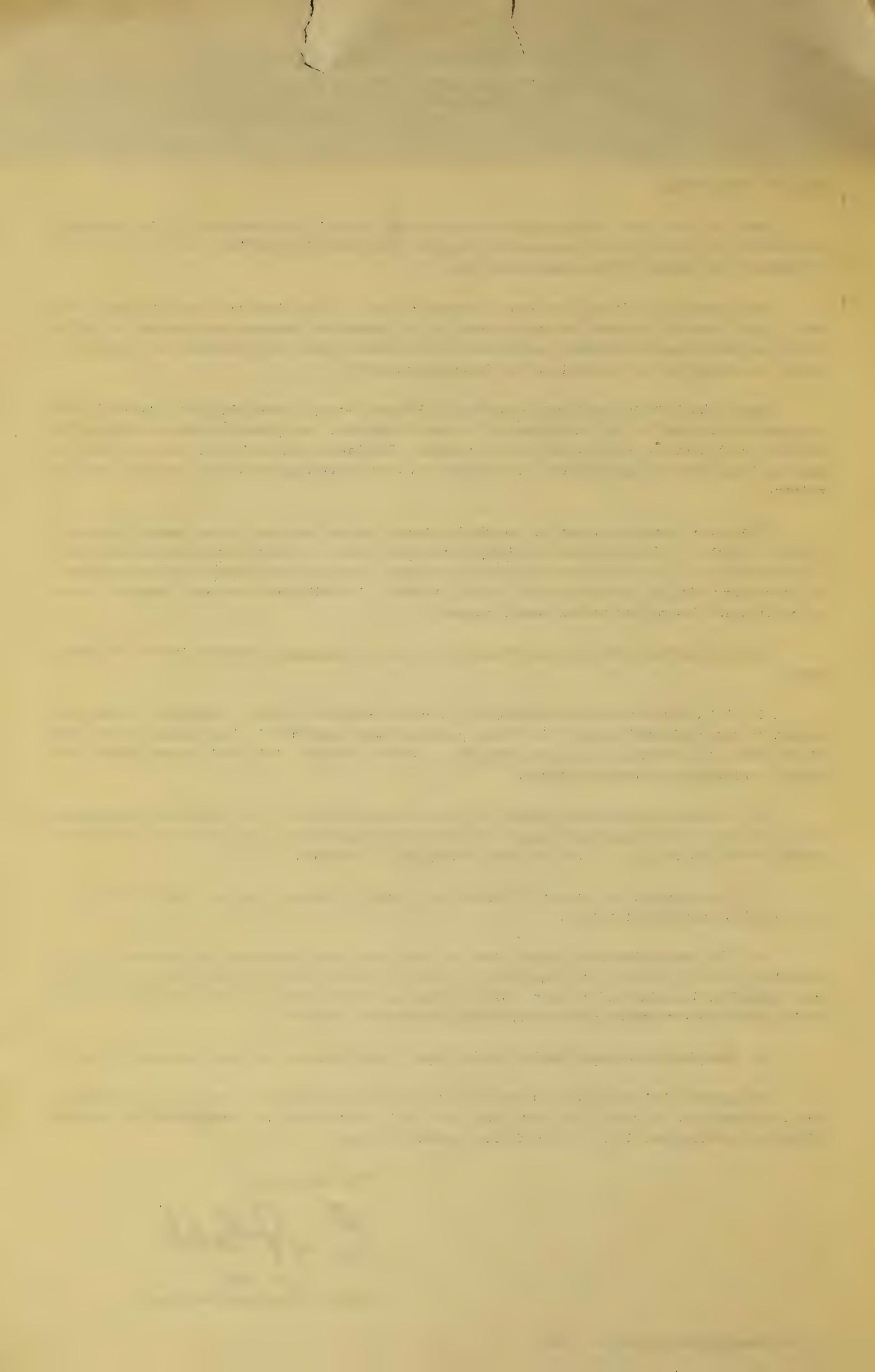
5. Improved soils mean better stands, fewer crop failures, and lower production costs.

We suggest that this phase of the program be discussed fully with each of your neighboring producers now in order that each may more fully understand the advantages the program offers and participate in it to the fullest possible extent.

Very truly yours,

C. A. Cobb

C. A. Cobb,
Director, Southern Division.



UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
WASHINGTON, D. C.

August 14, 1937.

Dear Committeeman:

Recently we sent you a letter concerning the importance of urging your neighbors to harvest a large crop of summer-legume seed.

It is now time to consider the planting of winter cover crops, and we are writing to impress upon you the value of winter legumes both as a soil-conserving crop and as an aid in producing succeeding crops more economically. Several States have conducted experiments to determine the effects of winter legumes, such as vetches, Austrian winter peas, and the clovers, on succeeding crops.

A recent summary of these experiments in five Southern States shows that the yield of cotton following a winter legume was, on an average, about 50 percent greater than was the yield of cotton grown under similar conditions except that no winter legume was used. About 40 percent more corn per acre was produced when grown following a winter legume.

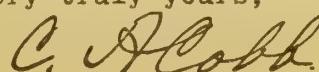
Winter legumes occupy the land at a period when land is normally bare. If they are planted early enough to make sufficient fall growth to cover the ground, they will do much, through their protective covering, to prevent or check washing and leaching. Winter legumes also add nitrogen and organic matter to the soil.

In addition to the value of winter legumes as a means of protecting and improving the soil, the seeding of these legumes is an approved soil-building practice under the 1937 Agricultural Conservation Program. Any operator whose soil-building allowance permits, may receive a class II payment for seeding these legumes, provided the legumes are adapted to the area and are seeded in accordance with good farming practices for the area.

In the planting of winter legumes a producer should, of course, compare the possible benefits with the cash costs and the risks run. Also, in selecting winter legumes to be planted, a producer should be careful to choose those winter legumes best suited to his locality.

You, as a committeeman, are in a position to point out to your neighbors the value of planting winter legumes and by urging them to plant a larger winter-legume crop you will be encouraging them to carry out a farm practice which will aid in preserving the fertility of the soil and will also result in an increased yield of succeeding crops.

Very truly yours,



C. A. COBB,
Director, Southern Division.

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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
WASHINGTON, D. C.

July 20, 1937.

Dear Committeeman:

Now is the time to make plans for harvesting a liberal supply of this year's crop of summer legume seed, particularly cowpeas for home consumption and for planting next year, and it is therefore both timely and significant to point out some of the outstanding values of summer legumes.

A recent summary of all experiments made by experiment stations in five Southern States shows that on the average the cotton grown following summer legumes produced 50 percent more per acre than cotton grown under similar conditions not following summer legumes. Corn, likewise, produced on the average about 40 percent more when grown following a summer legume.

Another summary shows that, when summer legumes are interplanted with corn, there is an average decrease of about 15 percent in the yield of corn the first year because of the competition between the corn and the legume. If the practice of interplanting summer legumes with corn is continued on the same land the decrease in corn yield is overcome and eventually the yield of corn is increased as much as 15 percent despite the competition between the crops.

Other things which should be considered aside from the increase in the yield are: the sacrifice in income from cash crops, the cost, and the residual effects on the soil. The cowpea, a common summer legume, has not only been accepted as one of the finest summer legume crops in the South for soil improvement, for hay, and for the control of erosion, but as a valuable and economical source of food.

In the past the Southern farmer has not had a sufficient supply of summer legume seed at planting time. As you make your plans for harvesting your summer legumes this year remember that if there is a surplus you may sell it to those who do not have a supply. Usually there has been a ready market at planting time for any surplus soil-conserving crop seed.

The saving of cowpea seed should be given special consideration because cowpeas (1) improve the soil and protect the land from soil erosion, thus assisting in a more economical production of crops; (2) furnish a supply of food for the farm; (3) make a good hay crop; and (4) may provide additional income through the sale of surplus seed. We are emphasizing cowpeas because they can readily be harvested and because of their special value as food. There are other summer legumes equally as valuable in most ways, and producers should also be careful to harvest and preserve the seed of these crops.

In view of the value that will come from growing more legumes, we urge that every farmer in the Southern Region save enough summer legume seed for next year's planting.

Very truly yours,

C. A. Cobb

C. A. Cobb,
Director, Southern Division.

SR Committeeman Letter No. 107

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
WASHINGTON, D. C.

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October 15, 1937.



Dear Committeeman:

Because the farmers in your community recognize you as a leader, they look to you for information regarding the agricultural problems in the community and also for advice and leadership in developing a sound and permanent national program for agriculture.

At present the cotton situation and related problems are of the utmost concern to everyone who is interested in the welfare of the South.

In a recent address delivered at Memphis, Tenn., Henry A. Wallace, Secretary of Agriculture, frankly and courageously discussed the problems involved in the cotton situation. In this address he outlined a six-point program which he feels will give permanent relief to cotton producers. The Secretary urges that farmers think about these points and examine their merits in their efforts to decide upon a program for which they can present a solid front. He points out that farmers must unite in striving for the program they believe will prove of most lasting benefits. We are sending you copies of the abstract of this address in the belief that you will study it and see that your neighbors have an opportunity to understand its contents and how such a program as that suggested would affect each of them.

It would be a fine thing if you could arrange for community meetings to discuss the Secretary's suggestions for a solution of the cotton problem. Additional copies for distribution in your meetings may be obtained from your county agent.

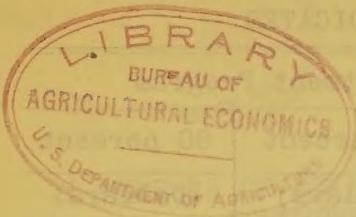
As pointed out by Secretary Wallace, producers of wheat and tobacco in the South and producers of these and other commodities in other areas also have acute problems. These problems, too, should be discussed in community meetings so that your neighbors may have an understanding of the farm problems of other sections. This understanding is very necessary if we are to give the producers in other sections the same measure of cooperation in working out a solution of their problems that we are asking of them in aiding us to work out a satisfactory solution to our problems.

Your continued efforts in keeping your neighbors reliably informed not only on the cotton, tobacco, and wheat situations, but on other acute farm problems is necessary in order that we may have a national farm program which will serve the needs of farmers and will "stand up" during the years to come. Such a program depends upon adequate information thoroughly understood and courageously applied.

Very truly yours,

I. W. Duggan

I. W. DUGGAN,
Acting Director, Southern Division.

JAN 21 1937
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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
SOUTHERN DIVISION

October 25, 1937

Dear Committeeman:

No doubt you are being asked many questions concerning the 1937 Cotton Price Adjustment Payment Plan. This letter is an attempt to give you information that may assist you in giving the correct answers to some of these questions.

The \$130,000,000 appropriated by Congress for cotton price adjustment payments on cotton grown in 1937 will give a better income for the 1937 crop and, in certain measure, make up for the decline in the price of cotton. All 1937 cotton producers, whether they are participating in the 1937 Agricultural Conservation Program or not, will be eligible for payments, "upon such terms and conditions as the Secretary of Agriculture may determine with respect to the 1937 cotton crop", when they "have complied with the provisions of the 1938 Agricultural Adjustment Program formulated under the legislation contemplated by Senate Joint Resolution Numbered 207, Seventy-fifth Congress."

The payment to an individual producer will be calculated on the basis of the cotton sold prior to July 1, 1938. The rate of payment per pound does not depend on the grade or staple of the producer's cotton or the selling price he receives for it, but will be uniformly the amount by which the average price of $\frac{7}{8}$ -inch middling cotton on the 10 designated spot cotton markets is below 12 cents on the day the producer sells his cotton. The payment, however, cannot exceed 3 cents per pound.

While all of the cotton produced in 1937 is eligible for the payment, the total amount of the payments to all producers cannot exceed the \$130,000,000 appropriated. In order that the money available will be distributed properly among all producers, it was decided that the payments would be limited to 65 percent of the 1937 base production unless the funds available permit payment on a greater percentage. The operation of the plan, based on the 65 percent limit, as it applied to individual producers, may be illustrated by the case of the farmer with a 1937 cotton base production of 10 bales who will be eligible to receive a cotton price adjustment payment on his 1937 cotton which is sold prior to July 1, 1938, up to and including $6\frac{1}{2}$ bales. If he produces only 5 bales in 1937, he would not be eligible to receive the price adjustment payment on more than 5 bales.

The amount of money required will depend upon the varying rates of payment per pound and the number of pounds of cotton sold by producers who comply with the 1938 Agricultural Adjustment Program, as will be seen from the following table:

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AMOUNT OF MONEY REQUIRED TO MAKE PAYMENT ON 65 PERCENT OF THE 1937 BASE PRODUCTION AT THE RATES AND WITH THE PARTICIPATION INDICATED

Rate of payment per pound	Participation in 1938 Agricultural Adjustment Program				
	100 percent	95 percent	90 percent	85 percent	80 percent
(Cents)	(Dollars)	(Dollars)	(Dollars)	(Dollars)	(Dollars)
3.00	150,717,392	143,181,522	135,645,652	128,109,782	120,573,913
2.75	138,157,622	131,249,728	124,341,848	117,433,967	110,526,087
2.00	100,478,261	95,454,348	90,430,435	85,406,522	80,382,609
1.75	87,918,479	83,522,555	79,126,631	74,730,707	70,334,783

It would be impossible to pay on sales of cotton made in excess of 65 percent of the 1937 base production if the rate of payment averages 3 cents per pound and there is 85 percent participation in the 1938 program. From the above table it will be noted that with 100 percent participation and an average payment rate of 2 cents per pound, it will be possible to pay on sales made in excess of 65 percent of the base production.

A grower's 1937 base production is the product obtained by multiplying the yield per acre of lint cotton for the farm by the cotton base acreage for the farm, both of which were or could have been established under the 1937 Agricultural Conservation Program.

As stated above, the rate of payment depends upon the day a producer sells his cotton, or, as it is termed in the legislation providing for the payments, the date of sale.

Usually a producer does not have a contract or agreement to sell his cotton to a particular buyer at a price fixed in advance. In such cases, the date of sale is the day a buyer classes the producer's cotton and pays him for it, thereby beginning and ending the entire transaction. In other cases a producer may have an arrangement in advance whereby he is to deliver his cotton, or a part of it, to a buyer for a price already agreed upon. In these cases the date of sale is the day the producer entered into the agreement, even though it may be some time before the transaction is completed. A complete text of the definition of the date of sale can be secured from the county agent.

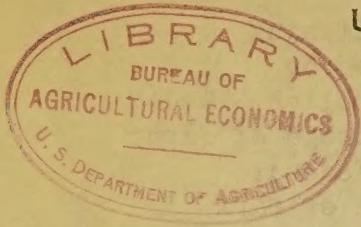
Producers will not be eligible to receive a 1937 Cotton Price Adjustment Payment unless they file proof of the sales of their cotton in the county agent's office. As evidence of the sales, producers should use Cotton Sales Certificates, Form CAP-101, which may be secured from the county agent. Proof of sales made up to and including October 15, 1937, should be filed before October 30, 1937, and for sales made after October 15, 1937, within 15 days after the date of sale.

Your neighbors will appreciate your efforts in explaining to them, not only how they may use the Cotton Price Adjustment Payment Plan, but the reasons behind the provisions contained in the plan.

Very truly yours,

J. W. Ruggan

Acting Director, Southern Division.



**UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
WASHINGTON, D. C.**

JAN 21 1938
5085

November 5, 1937.

**TO MEMBERS OF AGRICULTURAL CONSERVATION COMMITTEES—
SOUTHERN REGION:**

Dear Committeeman:

On October 20, the President sent letters to Honorable Ellison D. Smith, Chairman of the Senate Committee on Agriculture, and to Honorable Marvin Jones, Chairman of the House Committee on Agriculture. These letters, which were identical, expressed the President's views on further development of the Nation's farm program. The text of the President's letter is given below for your information:

My dear Mr. Chairman:-

You will recall that on July twelfth I wrote you concerning the need for further legislation to stabilize agriculture and give it added protection against disaster. My letter pointed out not only the need for this legislation, but the importance of placing it on the statute books at an early date so as to give farmers the benefit of it in the 1938 season.

Since that time, as you are well aware, exceptionally favorable growing weather over most of the country and falling prices for some commodities have brought the surplus problem once more into sharp focus. The pressing nature of this problem was recognized during the closing days of the last session by both houses of Congress in Senate Joint Resolution 207, pledging prompt action at the next session of Congress to meet the problem.

So as to permit early fulfillment of this pledge, I have issued a call for an extra session of Congress to convene November fifteenth. I know that your Committee and the House Agriculture Committee have both been making extensive inquiries into the farm situation and will therefore be in a position to move ahead expeditiously with the task of shaping the new bill.

The new national farm act should safeguard farmers' income as well as their soil fertility. It should provide for storage of reserve food supplies in an ever normal granary, so that if severe and widespread drought recurs consumers will be assured of more adequate supplies with less drastic increases in price than would otherwise be the case. It should provide for control of surpluses when and as necessary, but at the same time it should preserve the export markets that still are open to our farmers. It should protect both farmers and consumers against extreme ups and downs in prices of farm products. It should be financed by sound fiscal methods. Local administration should be kept in the farmers' hands.

I wish to emphasize especially that any price stabilizing features, through loans or other devices, should be reinforced by effective provision against the piling up of unmanageable supplies. We must never again invite the collapse of farm prices, the stoppage of farm buying and the demoralization of business that followed the Federal Farm Board's attempts to maintain farm prices without control of farm surpluses.

The present agricultural conservation program, though it is not entirely adequate to keep farm surpluses from wrecking farm prices and farm income, has great intrinsic value as a safeguard of soil fertility. Its great value must be made lasting. Therefore, it is my sincere hope that the Congress, when it enacts new legislation to protect agriculture and the nation against the calamity of farm price collapse, will assure the continuity and permanence of the agricultural conservation program now being carried forward by nearly four million farmers.

It is, of course, especially important that any new legislation should not unbalance the expected balancing of the budget. In other words, no additional Federal expenditures from the general fund of the Treasury should be made over and above existing planned expenditures. The only exception to this would be the incurring of additional obligations on the part of the Treasury, backed one hundred per cent by additional receipts from new taxes.

In other words, whatever goes out must be balanced by an equivalent amount coming in.

To my mind the purposes of the proposed new legislation and the existing conservation program are wholly consistent with each other and can be related together to the benefit of agriculture and the nation.

At the request of both your Committee and the House Agriculture Committee, Secretary Wallace and his aides in the Department of Agriculture who have had experience in administering farm programs in the past have been making studies which I know will be of great assistance to you in shaping the new law. With their help, and the added counsel of practical farmers throughout the nation, I am confident that your committees and your fellow members can draft permanent legislation that will serve the nation for many years to come.

Very sincerely yours,

(Signed) FRANKLIN D. ROOSEVELT

The above letter is being sent you in the belief that you, as an active participant in the planning and administration of current agricultural programs, will be interested in studying the President's statement.

Very truly yours,

A.W. Ruggan

Acting Director, Southern Division.